

Worksheet to Maximize the Amount of Agency Matching Contributions

Your estimate. Enter the IRS limit on Employee Contributions for the year in which your new election will be effective.

Using your most recent earnings and leave statement, find the total amount of your year-to-date TSP Employee Contributions. Add to that the amount of Employee Contributions that will be deducted each pay date until the pay date that your new TSP election will become effective. (Take anticipated salary increases in the year into account.)

Contribution elections made before the last month of an open season (December or June) cannot become effective before the first full pay period of the last month of the open season. However, the elected contributions are not made until the pay date associated with that pay period. For example, if you make a contribution election on April 15, it will become effective the first full pay period in June, but the amount will not be deducted from your pay until the pay date for that pay period (which may be in late June or early July). Contribution elections made during the last month of an open season become effective the first full pay period after acceptance (by agencies or services). You will need to keep these dates in mind when determining the amount of your Employee Contributions.

Example. A FERS employee, who is paid biweekly, wants to maximize contributions in 2004. The employee's salary for the first pay date in 2004 (January 14, 2004) is \$4,600; it will be \$4,715.20 for the rest of the year. If the employee makes an election that is effective December 21, 2003, the pay date is January 14, 2004 (assuming an 11-day lag), which is the first pay date in 2004. If the employee makes an election (after December 21) that is effective January 4, 2004, the pay date is January 28 (assuming an 11-day lag), which is the second pay date in 2004.

	Example	Your Estimate
1. Enter the IRS elective deferral limit for the year (e.g., 2004):	\$ <u>13,000.00</u>	\$ _____
2. Enter all Employee Contributions made during the year prior to the effective date of your new election (if effective 1/4/04):	\$ <u>598.00</u>	\$ _____
3. Subtract Line 2 from Line 1:	\$ <u>12,402.00</u>	\$ _____
4. Enter the number of salary payments you will receive in 2004 from which your new election will be deducted:	<u>25</u>	_____
5. Divide Line 3 by Line 4:	\$ <u>496.08</u>	\$ _____
6. Round up the result in Line 5 to the next dollar to determine the whole dollar amount you should contribute each pay date for the rest of the year (which you will enter on your Form TSP-1):	\$ <u>497.00*</u>	\$ _____

* In this example, the last contribution of the year will be reduced to \$474 by the employee's agency to avoid exceeding the elective deferral limit for the year.